Major: MKT

s. No. 37

Celebrity Endorsement and its Effects on Brand Equity
(A study on Care Cosmetics in Peshawar)



By:

Imad Ali Shah 01-221162-031 MBA (1.5)

> Supervisor Muhammad Umer Chaudhry

Department of Management Sciences

Bahria University Islamabad Fall 2017

Acknowledgement

This research project would not have succeeded without the help of the following people:

First of all, I wish to thank *Mr. Umer Chaudhry* for his patience, guidance, support and understanding. His suggestions were very valuable, which enabled me to overcome the difficulties I encountered during the thesis project.

Thanks are also due to the other subject teachers, friends and research scholars. Although I am unable to name them individually, their help is warmly appreciated.

Imad Ali Shah

Celebrity Endorsement and its Effects on Brand Equity (A study on Care Cosmetics in Peshawar)

Abstract

This study was conducted in regard to the cosmetic products that are working and having distribution in Peshawar by checking the effect of celebrity endorsement on the brand equity. The whole cosmetic products of "Care" brand that can easily be taken from the Peshawar market were taken as the population of the study. The study was limited to 'Care' brand to evaluate the celebrity appearing in the ads of this products and its effect on the brand equity. The study included both male and female students in the private sector education in Peshawar. Randomly the study took 250 students from Qurtaba University and Iqra National University Peshawar. The data in the present evaluation is totally based on the primary methodology as this data of present study is going to be gathered by different items which will be conducted for the first time and not from the published reports. The study will adopt the closed ended questionnaire form the literature to evaluate the effect of celebrity endorsement on brand equity. The close ended questionnaire will be based on five point likert scale. The findings of the study suggested that the (1) Creditability of celebrity has positive and significant effect on the brand equity, (2) Attractiveness of celebrity has positive and significant effect on the brand equity; (3) Trustworthiness of the celebrity has positive and significant effect on the brand equity 4) Expertise of celebrity has positive and significant effect on the brand equity.

Keywords: Celebrity endorsement, brand equity, private university, cosmetics, Peshawar etc.

Table of Contents

| Acknowledgement | 2 |
|--|----|
| Abstract | 3 |
| 1. Introduction | 6 |
| 1.1 Background of the Study | 6 |
| 1.2 Problem Statement | 7 |
| 1.3 Objectives | 7 |
| 1.4 Hypothesis | 7 |
| 1.5 Significance of the Study | 8 |
| 2. Literature Review | 9 |
| 2.1 Celebrity Endorsement and Brand Equity | 9 |
| 2.2 Believability of the Endorser | 13 |
| 2.3 Celebrity Support: A Publicizing Methodology | 14 |
| 2.4 The Authenticity of the Celebrity | 15 |
| 2.5 Product Loyalty | 17 |
| 2.6 The Need of Celebrity Support | 20 |
| 2.7 Extravagance Goods | 26 |
| 3. Research Methodology | 32 |
| 3.1 Population of the Study | 32 |
| 3.2 Sample Size and Sampling | 32 |
| 3.3 Data Collection | 32 |
| 3.4 Variables and Their Measurement | 33 |
| 3.5 Theoretical Framework | 34 |
| 3.6 Models | 35 |

| 4. Results and Discussions | 36 |
|---|----|
| 4.1 Demographic Distribution | 36 |
| 4.2 Reliability Statistics | 37 |
| 4.3 Regression | 37 |
| 4.4 Correlation | 41 |
| | |
| 5. Conclusion, Findings and Recommendations. | 43 |
| 5.1 Conclusion | 43 |
| 5.2 Findings | 43 |
| 5.3 Future Directions | 46 |
| 5.4 Limitations | 47 |
| 5.5 Recommendations | 47 |
| References | 48 |
| Appendix | 51 |